Group Selection

Priced as of January 14, 2020

Note: Group tickers incorporate hyperlinks to decile charts, and then a link to our Toolkit of the group members.

See back pages for user guide and disclaimer.
Sources for all charts: BMO Capital Markets
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Sector Relative Strength Profiles*

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<tbody>
<tr>
<td>Energy</td>
<td>21% / 23% / 27%</td>
<td>/ /</td>
<td>7% / 8% / 13%</td>
</tr>
<tr>
<td>Materials</td>
<td>34% / 37% / 40%</td>
<td>/ /</td>
<td>4% / 4% / 7%</td>
</tr>
<tr>
<td>Industrials</td>
<td>46% / 48% / 53%</td>
<td>/ /</td>
<td>1% / 1% / 3%</td>
</tr>
<tr>
<td>CMR Disc</td>
<td>45% / 48% / 51%</td>
<td>/ /</td>
<td>0% / -1% / 1%</td>
</tr>
<tr>
<td>CMR Stap</td>
<td>33% / 36% / 41%</td>
<td>/ /</td>
<td>-2% / -3% / 0%</td>
</tr>
<tr>
<td>Hlth Care</td>
<td>40% / 43% / 46%</td>
<td>/ /</td>
<td>12% / 10% / 12%</td>
</tr>
<tr>
<td>Financials</td>
<td>40% / 44% / 50%</td>
<td>/ /</td>
<td>-6% / -5% / -1%</td>
</tr>
<tr>
<td>Info Tech</td>
<td>53% / 54% / 59%</td>
<td>/ /</td>
<td>11% / 10% / 10%</td>
</tr>
<tr>
<td>Comm Srv</td>
<td>30% / 34% / 39%</td>
<td>/ /</td>
<td>0% / -2% / 0%</td>
</tr>
<tr>
<td>Utilities</td>
<td>36% / 38% / 45%</td>
<td>/ /</td>
<td>-4% / -7% / -3%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>47% / 53% / 59%</td>
<td>/ /</td>
<td>-8% / -8% / -3%</td>
</tr>
</tbody>
</table>

*Three terms define the relative performance Z-Score rating versus the markets (US = S&P 500; GBL = MSCI AC World; CDA = S&P/TSX Composite)
(a) % Outperforming - what percentage of sector members is outperforming the market,
(b) Reward/Risk - how consistent is the median relative strength performance of the sector membership ( / ranking),
(c) Trend Psn - what is the net percentage of the sector members which are breaking above/below relative strength channels.
The strength z-Score is weighted 60% towards the trend parameters (% outperforming and reward/risk ratios) and 40% towards the trend positions (reversals of trends). Gridlines are placed at 0.5 increments.

See Help Pages for further details
Utilities

January 14, 2020

Mark Steele (416) 359-4641

Utilities
- WaterUtil: 24 stocks; $109bn
- MultiUtil: 34 stocks; $560bn
- ElecUtil: 33 stocks; $1350bn
- GasUtil: 36 stocks; $281bn
- IPPTrad: 25 stocks; $132bn

RenewElec: 23 stocks; $147bn
Real Estate

Momentum

Strength

REstSrv
12 stocks; $49bn

IndusREIT
7 stocks; $117bn

HCareREIT
7 stocks; $137bn

SpecREIT
31 stocks; $436bn

REstOpCo
36 stocks; $262bn

ResidREIT
29 stocks; $214bn

REstDevl
39 stocks; $412bn

OfficeREIT
34 stocks; $209bn

DiversREIT
34 stocks; $174bn

REstDvAct
34 stocks; $332bn

HotelREIT
18 stocks; $52bn

RetailREIT
32 stocks; $397bn

IndusREIT, HCareREIT, SpecREIT, REstOpCo, ResidREIT, REstDevl, OfficeREIT, DiversREIT, HotelREIT, RetailREIT

January 14, 2020

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Real Estate

BMO Capital Markets
User Guide 1 - Definitions & Dataset

Group Strength
Our Global Group analysis is based on bottom-up equity relative strength analysis as opposed to industry group (index) relative strength analysis.

Strength Decile Defined By
1. What percentage of a group's members are outperforming
2. How consistent that outperformance is
3. How the members are positioned (above/below) vs. their trend channels.

Momentum Decile
Rate of change of strength (change in 5-day moving average)

The Underlying Equity Relative Strength Analysis
Each day, for every equity we cover, our relative strength system assesses the best fit trend from a spectrum which covers a minimum trend duration of six months, and a maximum of 4-years. The "best fit" is the trend which maximizes duration, and minimizes deviation from the trend. Our process is flexible, thorough, and because it is run daily, timely.

The Dataset:
- Over 5,700 securities.
- Groups have a:
  ...Median depth of 28
  ...Average depth of 36

Heat Map Colour and Symbol Guide
Strength is highlighted by the background of the group title
- Bright green = best (1st decile) transitions towards...
- Bright red = worst (10th decile)
Momentum is highlighted in the border of the group title
- Colour map for momentum is the same as strength
Symbols to the right of the group ticker show where a group moved from in the previous session. Below the group symbol we highlight the number and total market capitalization of the members in a group. Clicking on the group, which brings up the chart via a hyperlink, will help to clarify the moves.
User Guide 2 - Momentum

Our Goals:
- To buy outperforming stocks in favoured groups
- To avoid underperforming stocks in unfavoured groups
- To be alerted of and act on the changes

#1 Rule of Momentum: You can use it only if it exists

- In stable/trending markets, one can buy stocks with high strength and momentum and hold them as long as momentum does not turn negative (trend following).

- In very rotational markets (e.g., where credit, currency, commodity conditions are choppy/changing):
  - Buying high strength and high momentum may be dangerous (buying yesterday’s winners).
  - One is better off buying stocks with moderate strength and high momentum (bottom fishing).
User Guide 3 - Buy/Hold/Sell

Buy
- Groups with high strength and high positive momentum (top left) - “In Favour”
- Groups with moderate strength and high positive momentum - “Transitioning to Positive”
- Groups with mediocre strength and high positive momentum - “Gaining Favour”

Buy/Hold
- Groups with high strength and neutral momentum (middle left) - “Maintaining Favour”

Sell
- Groups with low strength and high negative momentum (bottom right) - “Out of Favour”
- Groups with moderately negative strength and high negative momentum - “Transitioning to Negative”
- Groups with mediocre strength and high negative momentum - “Losing Favour”
User Guide 4 - Hyperlinks To Decile Charts & Stock Selection

- Each group is hyperlinked to a chart that shows the relative strength decile as a function of time, and the moving average (momentum).

- Each chart is hyperlinked to the group membership, in our RS Filter Toolkit.
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<tr>
<td>Buy</td>
<td>Outperform</td>
<td>43.2%</td>
<td>22.8%</td>
<td>57.4%</td>
<td>44.1%</td>
<td>57.0%</td>
<td>52.8%</td>
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<tr>
<td>Hold</td>
<td>Market Perform</td>
<td>53.2%</td>
<td>13.1%</td>
<td>40.6%</td>
<td>52.6%</td>
<td>41.1%</td>
<td>41.6%</td>
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<tr>
<td>Sell</td>
<td>Underperform</td>
<td>3.7%</td>
<td>9.5%</td>
<td>2.0%</td>
<td>3.2%</td>
<td>1.6%</td>
<td>5.5%</td>
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(S) = Speculative investment;
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